
HOUSE BILL No. 2142

DIGEST OF INTRODUCED BILL

Citations Affected: IC 30-5-11.

Synopsis: Judgments and settlements for minor plaintiffs. Provides that if a minor plaintiff's parent requests, the court may order any of the following with regard to a money judgment or settlement awarded to the minor: (1) The payment of not more than \$25,000 for the benefit of the minor to the custodial parent, guardian of the person, or custodian of the minor under the Uniform Transfer to Minors Act. (2) The deposit of money in a court supervised savings or securities account. (3) A structured settlement. (4) The creation of a spendthrift trust. Provides that the minor may not receive the entire amount of the settlement or judgment until the minor is at least 30 years of age.

Effective: July 1, 2001.

Thompson

January 17, 2001, read first time and referred to Committee on Judiciary.

C
o
p
y



Introduced

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

HOUSE BILL No. 2142

A BILL FOR AN ACT to amend the Indiana Code concerning trusts and fiduciaries.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 30-5-11 IS ADDED TO THE INDIANA CODE AS
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2001]:
4 **Chapter 11. Settlement or Judgment Paid to a Minor Plaintiff**
5 **Sec. 1. This chapter applies to a minor who receives a money**
6 **settlement or judgment as a result of being a party to an action.**
7 **Sec. 2. As used in this chapter, "minor" means an individual**
8 **who is less than twenty-one (21) years of age.**
9 **Sec. 3. At the request of a minor plaintiff's parent, money from**
10 **a settlement or judgment may be distributed to the minor plaintiff**
11 **as set forth in this chapter.**
12 **Sec. 4. When a settlement has been approved by the court, or**
13 **when a judgment has been entered in an action, the court, upon its**
14 **own motion, may make an order:**
15 **(1) approving or disapproving any agreement for the payment**
16 **of counsel fees and other expenses that is entered into on**
17 **behalf of the minor by the parent or guardian; or**

2001

IN 2142—LS 7428/DI 87+



C
o
p
y

1 (2) fixing counsel fees and other proper expenses;
 2 out of the amount of the settlement or judgment.

3 Sec. 5. After fees and expenses are paid under section 4 of this
 4 chapter, the court may order that the remaining balance of the
 5 settlement or judgment be distributed in any of the following ways:

6 (1) An amount of not more than twenty-five thousand dollars
 7 (\$25,000) in cash to be paid for the benefit of the minor to:

8 (A) the guardian of the person;

9 (B) the custodial parent; or

10 (C) a custodian of the minor, as set forth in IC 30-2-8.5.

11 (2) An amount in cash may be deposited in any or all of the
 12 following:

13 (A) One (1) or more savings accounts in the name of the
 14 minor in:

15 (i) banks;

16 (ii) building and loan associations;

17 (iii) savings and loan associations; or

18 (iv) credit unions.

19 The deposits must be insured by an agency of the United
 20 States government. However, the amount deposited in a
 21 savings institution may not exceed the amount to which
 22 accounts are insured.

23 (B) One (1) or more accounts in the name of the minor
 24 that:

25 (i) invest only in securities guaranteed by the United
 26 States government or an agency of the United States
 27 government; and

28 (ii) are managed by responsible financial institutions.

29 Every order entered by the court under this subdivision must
 30 contain a provision prohibiting a withdrawal from an account
 31 until the minor is at least thirty (30) years of age, unless the
 32 court authorizes the withdrawal by court order. Proof of the
 33 deposit of the money in an account under this subdivision
 34 shall be promptly filed with the court.

35 (3) An amount may be paid under a structured settlement
 36 agreement underwritten by a financially responsible entity
 37 that assumes responsibility for future payments. All money
 38 paid from the structured settlement under this subdivision
 39 before the minor is at least thirty (30) years of age shall be
 40 paid into a restricted account described in subdivision (2).

41 (4) An amount may be placed in a trust subject to a trust
 42 agreement executed with a corporate fiduciary that is

C
O
P
Y



1 independent from the minor and anyone acting on the minor's
2 behalf and that is lawfully authorized to engage in trust
3 business in Indiana or the state of the minor's domicile. The
4 trust designated to receive the fund under this subdivision
5 must:

6 (A) contain terms for investment, disbursement, and
7 distribution of the fund, including:

8 (i) a spendthrift provision; and

9 (ii) a provision that the trust terminates and the corpus
10 is distributed to the minor when the minor is at least
11 thirty (30) years of age; and

12 (B) expressly provide that the trust is subject to the court's
13 continuing jurisdiction, including the court's right to
14 modify the trust for cause shown.

15 However, the trust may be otherwise irrevocable.

C
o
p
y

